

Offshore Outsourcing And Catholic Social Teaching

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In today's tech era, many health care organizations find offshore outsourcing an attractive option to support complex software platforms that manage electronic medical records. The tradition's concern for safe working conditions poses less of a concern in scenarios involving overseas workers who have post-secondary education and enjoy working environments akin to contemporary American-style corporate offices. Nevertheless, discerning the moral implications of offshore outsourcing requires great scrutiny, because stepping into the global economy can be fraught with complexities, implications for ethics and challenges to the church's vision of social justice.

In Catholic social teaching, the term "globalization" first appeared in Pope Benedict XVI's 2005 encyclical *Deus Caritas Est*,¹ and he expounded upon the theme in his social encyclical *Caritas in Veritate*. Pope Benedict identifies globalization broadly as "the explosion of worldwide interdependence."² It comes with opportunities such as a greater distribution of goods and services, yet without charity and truth, globalization can cause unprecedented damage and division in the human family.

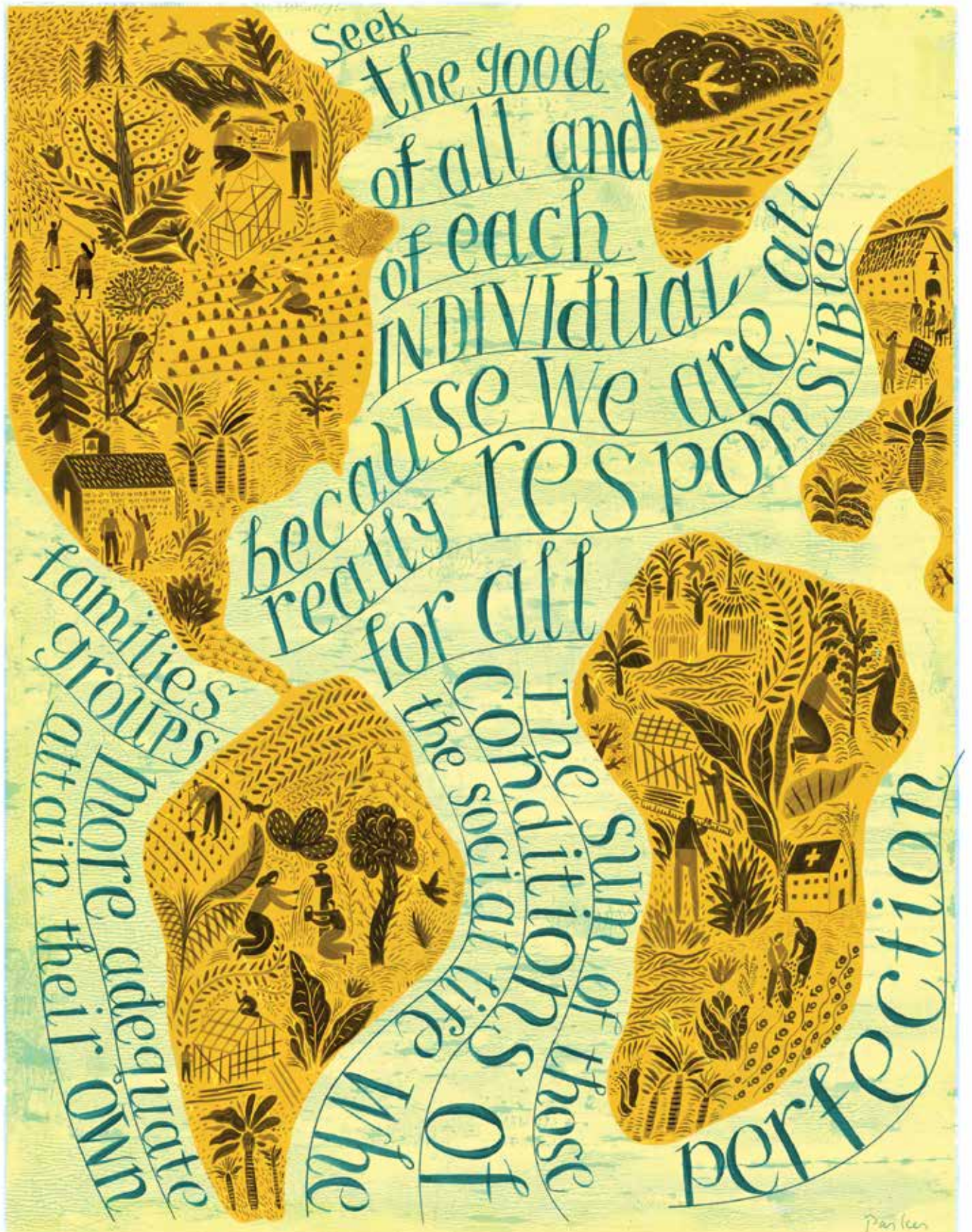
Caritas in Veritate declares "integral human development" as a new cornerstone for just economics in this era of global interdependence, which means increasing wealth does not suffice for human flourishing. Integral human development refers to whatever is needed for a dignified life, including social and spiritual growth. In this light, three points from *Caritas in Veritate* merit attention for Catholic health ministries.

First, Pope Benedict identifies justice and the common good as two indispensable features of the church's social doctrine with particular regard to globalization. Catholic social teaching calls the health ministries to prudently discern actions that promote the common good for the communities they serve. In offshore outsourcing,

the Catholic health ministries must seek to consider how to contribute positively to the common good while also promoting justice for foreign workers, domestic workers and the communities served.

Second, Pope Benedict insists that progress toward integral human development cannot be merely economic or technological.³ He describes integral human development in terms of relationships that are just and that lead to deeper communion. The pontiff's cohesive vision weaves together an ultimate goal of the economic life connected to the Eucharist. In the sacramental framework, individual members of the worshipping body encounter an interdependent community of mutual support and love. This theological vision of the economic life places offshore outsourcing in tension with the tradition.

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Parker

Curtis Parker

Moving labor overseas diminishes a Catholic health ministry's communion with the local workers who previously performed the outsourced tasks or who could have done the work. It also calls the Catholic health ministry to consider how to foster communion with workers whose God-given talent and skills benefit an organization a world away. Without careful attention, offshore outsourcing may perpetuate the view that both domestic and foreign workers are merely means to economic and financial ends.

LABOR

Labor consistently has appeared as a key theme in the social encyclicals and emerged as the singular focus in Pope John Paul II's *Laborem Exercens*. In that encyclical, he elevated labor over capital, a priority arising from the intrinsic dignity of every human person made in the image and likeness of God. As subjective, rational beings endowed with free will for their own self-realization, women and

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men are the subject of work, rather than objects.⁴ In other words, women and men are not resources deployed to get work done, projects completed or products made. Catholic social teaching articulates a primacy of persons over and above goods or services.⁵

Catholic social teaching also addresses the expectation that the employer provide justly for workers, which raises particular questions and concerns for Catholic health ministries. Few have the knowledge and expertise to understand a foreign culture's treatment of workers, their rights and benefits — including management relationships and subtle forms of corruption — and the country's laws and regulations. Nor is it easy for a Catholic health ministry in the U.S. to influence employment policies in a foreign culture.

COMMON GOOD

Catholic social teaching posits a distinctive understanding of the common good. The Second Vatican Council's *Pastoral Constitution on the Church in the Modern World* described the common good as "the sum of those conditions of the social life whereby individuals, families and groups more adequately and readily may attain their own perfection."⁶ Theologian Kenneth Himes, OFM, describes the common good as "an ensemble of enabling conditions for the societal flourishing of human potential."⁷ In other words, whatever is deemed good for human flourishing ought to be common and accessible to all.

Pope John Paul II highlighted solidarity as a key component of the common good. Noting the ever-increasing interdependence throughout the world, he observed how individual profit marked economic relationships, often to the detriment of the working poor. Thus, the pontiff exhorted all people of good will to seek "the good of all and of each individual, because we are all really responsible for all."⁸ Elaborating on the common good in *Centesimus Annus*, he noted the limits of market forces, which inadequately achieve minimum standards for the common good. Like his predecessors throughout the past century, the pontiff appealed to the state to defend and preserve the common good for the people.

These and other constitutive features of the common good pose particular challenges to Catholic health ministries. Withdrawing labor opportunities from local communities in the United States harms the common good for the individuals and the communities that experience the loss of labor. Ethicist John Paul Slosar, PhD, noted that the tradition's application of the common good tilts in favor of those closer to us,⁹ suggesting that Catholic health ministries have a responsibility to favor preservation of labor in local communities, or at least those in the U.S.

It may be true that creating sources of employment for workers in foreign countries provides something good and beneficial. In these growing globalized realities, Catholic health ministries have the potential, even in a very limited capacity, to influence the common good beyond national borders. Nevertheless, outsourcing jobs raises

concerns that merit close consideration.

The first concern entails the use of offshore labor to provide a service for health care systems in our own country, in light of the fact that powerful multinational companies zealously protect advancements and knowledge, especially



in health care.¹⁰ A Catholic health ministry must ask whether the foreign laborers' work improves or strengthens their own health and well-being in addition to

supporting the large multinational system's goals. For example, workers in a country with minimal

medical technology stand to gain little more than a paycheck for writing complex code for electronic health record software that will be used elsewhere. It is a problem that such workers may be producing code and technological advancements they and the people of their own society may never use. It is unclear whether the work and service rendered by the foreign workers redounds to their own benefit.

Second, the argument that outsourcing employment to a poorer country will necessarily benefit that society presumes financing is foundational to human flourishing and that human development essentially is tied to economics. Yet

TOPICS AND QUESTIONS FOR DISCERNMENT

There are a number of concrete and practical points to consider when discerning the alignment of offshore outsourcing with Catholic tradition. These insights from Catholic social teaching, although not exhaustive, give direction to tailor the discernment process for a potential international venture:

Labor and Wages

- Are the workers paid a just and living wage?
- What constitutes a just and living wage in the foreign country?
- How does the lowest wage compare to the highest paid?
- What other benefits do the workers receive, either from the employer or from the state, such as protected and paid time, access to health care, maternity leave and sick leave?

Justice and Dignity

- Are there protections for maximum hours worked per day or week?
- Specifically, how does the contracting organization or vendor manage expectations of hours worked, overtime, etc.? Are salary workers expected to work as many hours as necessary during the week?
- What safeguards protect employees from exploitation?
- What systems are in place to justly address grievances or whistleblowers?

- Do employees have the right to assemble, engage in collective bargaining or unionize?

- Are they afforded profit-sharing or other bonus opportunities based on non-coercive, reasonable and appropriate measures? Are these monies paid without adversely affecting the employees' regular salary?

- How prevalent is corruption, and how might the Catholic health ministry address and minimize its participation in such practices?

Common Good

- How might this partnership advance the common good in the foreign state?
- How might the contracted workers experience opportunities for social, spiritual and personal growth?
- How might the conditions for human flourishing be affected both at home and abroad by this partnership?
- What impact might this partnership have on the intermediary company?
- What plans need to be in place to enact advocacy on a global stage?
- What would make the Catholic health ministry withdraw consideration from this partnership?
- How might this impact the Catholic health ministry's integrity in the local communities it serves?
- What can be done to mitigate the loss of local jobs?

Catholic social teaching consistently criticizes an exclusive focus on economics and, instead, speaks of integral human development that includes social and spiritual dimensions.

With regard to the common good, the potential benefit of offshore outsourcing is not so much the

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transfer of financial commodities as it is creating new forms of relating and interacting. Although much of *Caritas in Veritate* is critical of practices related to globalization, Pope Benedict also observes that there are some business models able to promote more virtuous economic and financial practices.

The Catholic social tradition's critiques of capitalism's for-profit motivations — its greed and dynamics of winners and losers — perhaps pertain less to Catholic health ministries and more to potential partners and consulting companies that secure the offshore labor. A ministry's due diligence process would include inquiries into consulting companies' commitments to all stakeholders — workers, suppliers, consumers, the natural environment and the broader society.¹¹ With an attentiveness to a holistic understanding of the women and men involved in offshore outsourcing, the Catholic health ministry's discernment process can aim to look for opportunities in "*civilizing the economy*," (emphasis original) fostering an "economy of communion,"¹² and shaping a more humane market.

ACCOUNTABILITY, ADVOCACY, LIMITS

Should a Catholic health ministry decide to engage in offshore labor, then at least three items remain for consideration. First, the Catholic health ministry must hold the contracted organization accountable to conditions and expectations expressed in negotiations. Accountability is not merely a synonym for compliance. It reflects a commitment to breaking down the oppressive and resilient structures of sin that remain even after being confronted with virtue. It is a check on

an improper exercise of power.¹³ This may be an important detail in offshore outsourcing, particularly depending upon the social, political and economic stability or volatility of the foreign nation.

Second, offshore outsourcing will call the Catholic health ministry to expand its advocacy to international dimensions. Even when not directly employing the offshore workers, the nature of the relationship establishes a communion between the organization and the workers. This relationship ought to help reduce inequalities, eliminate discrimination globally and advance the self-improvement of all involved.

It will stretch Catholic health ministries in new ways, and it will call ministry leaders to reflect more deeply on how they and their employees will foster global communion, spirituality and integral human development amid the pressures and volatility of international politics and economics.

Lastly, Catholic health ministries should strongly consider establishing parameters to guide future offshore outsourcing considerations. For example, what is the possibility of directly employing persons in a foreign country where the Catholic health ministry does not engage in direct patient care? Would a Catholic health ministry consider contracting "sitters" to monitor patients, or perhaps radiologists or other physicians in a foreign country who work remotely via telemedicine?

POSSIBLE OPPORTUNITIES

It is clear that the discernment process regarding offshore outsourcing is not just a business decision. Healing pertains not only to patients, but also to the relationships with individuals and organizations outside the walls of the health ministry itself. Social ethicist Thomas Massaro, SJ, observes that Catholic social teaching has no ready-made answers, but that people of faith bring very important perspectives to the serious issues raised by globalization.¹⁴ Catholic health ministries can lead prophetically in the landscape of global economic practices, although it will not be easy.





Globalization itself is neither good nor bad. Like other human structures, "it will be what people make of it."¹⁵ It can be an individualistic, utilitarian tool, or it can be an instance of communion and sharing of what is good. To engage in offshore outsourcing with the best of intentions and virtue, the discernment and due diligence process ought to examine the areas of labor, the common good and the policies and laws in the foreign country, particularly those pertaining to workers' rights and to companies contracted for these services.

Catholic social teaching does not forbid offshore outsourcing, but it has consistently recognized the powerful structures of sin in global economics. Pursuing offshore outsourcing will require new dimensions to formation experiences and due diligence processes. It calls for deepening personal and organizational spirituality as responsibility for and communion with others broadens. Ultimately, it invites the Catholic health ministry and its leaders to attentively discern God's grace to be virtuous partners with new collaborators on the global stage.

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NOTES

1. Benedict XVI, *Deus Caritas Est*, section 30. Pope Francis expands on "The Globalization of the Technocratic Paradigm" in his encyclical letter *Laudato Si'*, sections 106-14.
2. Benedict XVI, *Caritas in Veritate*, section 33. Emphasis found in the original text.

3. *Caritas in Veritate*, section 23.
4. John Paul II, *Laborem Exercens*, section 6.
5. *Laborem Exercens*, section 13. This theological concept is well ensconced in contemporary social encyclicals. See also, *Caritas in Veritate*, section 40; John Paul II, *Sollicitudo Rei Socialis*, section 24; John Paul II, *Centesimus Annus*, section 36.
6. Paul VI, *Gaudium et Spes*, section 74. See also, John XXIII, *Mater et Magistra*, section 65.
7. Kenneth R. Himes, and Lisa Sowle Cahill, *Modern Catholic Social Teaching: Commentaries and Interpretations* (Washington, D.C.: Georgetown University Press, 2005). Himes articulates three societal and economic conditions for the common good: 1) a guarantee of access to goods that are public goods; 2) enabling true social participation in the goods of society; 3) establishing the possibility for human flourishing, at least in a minimal way.
8. John Paul II, *Sollicitudo Rei Socialis*, section 38. It should be noted that John Paul II identified solidarity as a virtue.
9. John Paul Slosar, "Thinking about Offshore Outsourcing," *Health Care Ethics USA*, 16, no. 2 (Spring 2008): 2-4. See also Saint Augustine, *On Christian Doctrine*.
10. *Caritas in Veritate*, section 22.
11. *Caritas in Veritate*, section 38.
12. *Caritas in Veritate*, sections 38, 46, (emphasis original).
13. The Catholic Health Association, *The Church, Its Social Justice Tradition and the Catholic Health Care Ministry in a Just Workplace* (2011), 19; Paul VI, *Populorum Progressio*, section 21.
14. Thomas Massaro, *Living Justice: Catholic Social Teaching in Action* (Lanham, Maryland: Rowman & Littlefield, 2012), 173-77.
15. *Caritas in Veritate*, section 42.

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